

WARRICK COUNTY COUNCIL RESOLUTION NO. 2001-05

A PRELIMINARY RESOLUTION DECLARING AN ECONOMIC
REVITALIZATION AREA FOR PROPERTY TAX ABATEMENT

WHEREAS, Pyrotek, Inc. (the "Applicant") has submitted a Statement of Benefits and made application for Economic Revitalization Area designation pursuant to IC 6-1.1-12.1 et seq. and Warrick County Council Resolution No. 2001-05 (the "Tax Abatement Resolution") for the property located in Warrick County, Indiana and described as:

Approximately six acres that is part of the Northeast Quarter Section 19-T6S-R8W adjacent to and lying east of Warrick Research and Industrial Center #6. Approximate dimensions are: from the northeast corner of the Warrick Research and Industrial #6, lying approximately 650 feet to the north to the southwest corner, approximately 90 degrees east 400 feet to the southeast corner, approximately 90 degrees north 650 feet to the northeast corner, approximately 90 degrees west 400 feet to point of origin.

AND, WHEREAS, said property meets the criteria for designation as an Economic Revitalization Area pursuant to IC 6-1.2-12.1 et seq.

NOW, THEREFORE, BE IT RESOLVED by the Warrick County Council as follows:

Section 1. The Warrick County Council has reviewed the Statement of Benefits and additional information submitted pursuant to IC 6-1.1-12.1 and Resolution No. 2001-05 And made the following findings:

- a. The estimate of the value for both the redevelopment and/or rehabilitation of property and construction of structures to be used for a manufacturing facility is reasonable for projects of that type; and
- b. The estimate of the number of individuals who will be employed or whose employment will be retained by this project can be reasonably expected to result from the proposed redevelopment and/or rehabilitation, and construction of structures to be used for the designing and building of custom machinery for automatic assembly of industrial and consumer products; and
- c. The estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can reasonably be expected to result from the proposed redevelopment and/or rehabilitation; and
- d. The totality of benefits likely to accrue from this project is sufficient to justify a tax deduction; and
- e. The property known as 5499 Prospect Drive, Newburgh, IN and specifically described in the preamble hereto has been found to meet the requirements of an Economic Revitalization area pursuant to IC 6-1.1-12.1.

Section 2. Based on these findings, the Warrick County Council has determined that the purposes of IC 6-1.1-12.1 are served by allowing the deduction and the property described in Section 1.e (above) is hereby declared to be an Economic Revitalization Area.

Section 3. The designation of this Economic Revitalization area shall apply to property tax deduction for "property" as provided in IC 6-1.1-12.1-3 and "personal property" as described in IC 6-1.1-12.1-4.5.

Section 4. The designation of the Economic Revitalization Area shall be in effect up to and including ten years. *(To be determined at June meeting). Upon presentation of confirming resolution*

Section 5. Deductions for redevelopment and/or rehabilitation which takes place within this Economic Revitalization area shall be allowed for a period of up to (10) years beginning with increases in assessed value which are first assessed on 2002.

Section 6. The Warrick County Auditor shall cause to be published notice of the adoption and substance of this resolution in accordance with IC 5-3-1. Said notice shall be in compliance with IC 6-1.1-12.1-2.5(c).

Section 7. This Resolution shall be in full force and effect from and after its passage and action had confirming, modifying and/or rescinding the same.

PASSED this 3rd day of May, 2001.

WARRICK COUNTY COUNCIL

Greg Richmond
Greg Richmond, President

Ray McIntyre
Ray McIntyre

Robert Addington
Robert Addington

Raymond Bracher
Raymond Bracher

David Hachmeister
David Hachmeister

Gary Meyer
Gary Meyer

Tim Mosbey
Tim Mosbey

ATTEST:

Richard J. Kixmiller
Richard Kixmiller
Warrick County Auditor

WARRICK COUNTY, INDIANA

1. **Address of Property:** 5499 Prospect Drive
Newburgh, IN 47630
2. **Township in Which Property is Located:** Ohio
3. **Legal Description of Property:**
Approximately six acres that is part of the Northeast Quarter Section 19-T6S-R8W adjacent to and lying east of Warrick Research and Industrial Center #6. Approximate dimensions are: from the northeast corner of the Warrick Research and Industrial Center #6, lying approximately 650 feet to the north to the southwest corner, approximately 90° east 400 feet to the southeast corner, approximately 90° north 650 feet to the northeast corner, approximately 90° west 400 feet to point of origin.

Part IV - Employment Impact

1. How many new employees do you plan to hire upon completion of this project?

Full Time 0

Part Time 0

2. How many new employees do you plan to hire over a five (5) year period as a result of this project (include the new employees listed in #1 above in this number.)?

Full Time 8

Part Time 0

3. How many employees will be retained as a result of this project? (Include only employees whose jobs will be effected by this project.)

Full Time 15

Part Time 0

4. Describe the type of work in which new employees will be engaged:

Production - Light manufacturing

Product development

Process engineering

Sales, Customer Service and Administration

Part V - Furtherance of Development Objectives

Please identify how the proposed project meets one or more of the following development objectives:

1. Use of vacant or under-utilized land and/or buildings:

Construct a 36,000 sqft Industrial manufacturing facility and office.

2. Rehabilitation or replacement of obsolete, deteriorated, vacant or under-utilized buildings:

N/A

3. Retention/expansion of employment opportunities: Construction of new manufacturing facility that will provide the efficiencies needed to manufacture high quality products in a timely manner. The project will enable the company to expand our Evansville, Indiana location.

4. Improvement of the community's physical appearance:

Build an attractive new facility on vacant land reclaimed from former strip mine.

5. Preservation of historically or architecturally significant property:

N/A

Part VI - Description of Proposed Project

- 1. Give a brief overview of the scope of the proposed project (use only the space provided below):**

Proposed project will consist of constructing a 36,000 sqft industrial manufacturing facility in Warrick County. The building will provide space for manufacturing the company's products, warehousing of raw materials and an office area for sales, engineering and administration. This will enable Pyrotek to expand its business in Indianan and design and developmentof new products for sale within the united States and for export.

2. Will the proposed project require any additional municipal services or facilities?

Yes _____ No x
If yes, please explain.

3. For projects seeking abatement for REAL ESTATE IMPROVEMENTS:

- a. What physical changes will be made to develop or rehabilitate the property?

The property will be modified to construct an industrial manufacturing facility and provide appropriate amount of parking for employees and visitors. The land surrounding the building will be landscaped. Today it is barren.

- b. How will the project property be used?

Industrial manufacturing facility

- c. What is the anticipated cost of the rehabilitation or new construction of this project?

\$1.7 million

3. For projects seeking abatement for NEW MANUFACTURING EQUIPMENT:

- a. Please attach an itemized list of the proposed equipment acquisitions and the cost of each item. Designate this attachment as Exhibit A.

- b. Total Cost of Equipment Itemized on Exhibit A
\$ _____

- c. Describe the productive use of the proposed equipment acquisitions. (Please be as specific as possible.)

- d. Has this equipment ever been installed and in use elsewhere in the State of Indiana? Yes _____ No _____

- e. Date new manufacturing equipment is to be acquired: _____
f. Will the proposed equipment have an impact on the environment? (i.e. waste or discharge generated by the productive use)

Yes _____ No _____

If yes, explain in detail on a separate sheet identified as Exhibit B.

I hereby affirm and certify that the information and representations of fact made in this application are true and complete.



Regional Manager

Signature of Authorized Representative

Title

Date April 25, 2001

For this application to be complete, it must be accompanied by a signed "Statement of Benefits" (State form 27167 SB-1).

INSTRUCTIONS:

- This statement must be submitted to the body designating the economic revitalization area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body BEFORE a person installs the new manufacturing equipment, or BEFORE the redevelopment or rehabilitation of real property in which the person wishes to claim a deduction. A statement of benefits is not required if the area was designated an ERA prior to July 1, 1987 and the "project" was planned and committed to by the applicant, and approved by the designating body, prior to that date. "Projects" planned or committed to after July 1, 1987 and areas designated after July 1, 1987 require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
- Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to initiation of the redevelopment or rehabilitation or prior to installation of the new manufacturing equipment, BEFORE a deduction may be approved.
- To obtain a deduction, Form 322 ERA, Real Estate Improvements and / or Form 322 ERA / PP, New Machinery, must be filed with the county auditor. With respect to real property, Form 322 ERA must be filed by the later of: (1) May 10; or (2) thirty (30) days after a notice of increase in real property assessment is received from the township assessor. Form 322 ERA / PP must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment becomes assessable, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and June 14 of that year.
- Property owners whose Statement of Benefits was approved after July 1, 1991 must submit Form CF - 1 annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)

SECTION 1:**TAXPAYER INFORMATION**

Name of taxpayer

Pyrotek Inc.

Address of taxpayer (street and number, city, state and ZIP code)

1007 W. Maryland Street, Evansville, Indiana 47710

Name of contact person

David A. Coon

Telephone number

(812) 461-6404

SECTION 2:**LOCATION AND DESCRIPTION OF PROPOSED PROJECT**

Name of designating body

Warrick County Council

Resolution number

Location of property

County

Warrick

Taxing district

Ohio

Description of real property improvements and / or new manufacturing equipment to be acquired (use additional sheets if necessary)

Construction of 36,000 sqft Industrial Manufacturing facility and office

Estimated starting date

July 2, 2001

Estimated completion date

November 1, 2001

SECTION 3**ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT**

Current number	Salaries	Number retained	Salaries	Number additional	Salaries
15	\$713,000	15	\$713,000	8	\$250,000

SECTION 4:**ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT**

NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.

	Real Estate Improvements		Machinery	
	Cost	Assessed Value	Cost	Assessed Value
Current values				
Plus estimated values of proposed project	\$1,700,000			
Less values of any property being replaced				
Net estimated values upon completion of project	\$1,700,000			

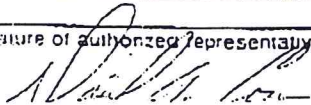
SECTION 5:**OTHER BENEFITS PROMISED BY THE TAXPAYER**

This project will enable Pyrotek to maintain and expand its business in Indiana. In this facility, Pyrotek will be able to more effectively design and manufacture products sold in the United States and for international export. Pyrotek's project will convert land reclaimed from strip mining to productive employment generating use.

SECTION 6:**TAXPAYER CERTIFICATION**

I hereby certify that the representations in this statement are true.

Signature of authorized representative



Title

Regional Manager

Date signed (month, day, year)

April 25, 2001

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

- A. The designated area has been limited to a period of time not to exceed _____ calendar years * (see below). The date this designation expires is _____.
- B. The type of deduction that is allowed in the designated area is limited to:
1. Redevelopment or rehabilitation of real estate improvements: ☐ Yes ☐ No
 2. Installation of new manufacturing equipment: ☐ Yes ☐ No
 3. Residentially distressed areas: ☐ Yes ☐ No
- C. The amount of deduction applicable for new manufacturing equipment installed and first claimed eligible for deduction after July 1, 1987, is limited to \$ _____ cost with an assessed value of \$ _____.
- D. The amount of deduction applicable to redevelopment or rehabilitation in an area designated after September 1, 1988 is limited to \$ _____ cost with an assessed value of \$ _____.
- E. Other limitations or conditions (specify) _____.
- F. The deduction for new manufacturing equipment installed and first claimed eligible for deduction after July 1, 1991 is allowed for: ☐ 5 years ☐ 10 years

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (signature and title of authorized member)	Telephone number ()	Date signed (month, day, year)
Attested by:	Designated body	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4 or 4.5. Namely: (see tables below)

NEW MANUFACTURING EQUIPMENT		
For Deductions Allowed Over A Period Of:		
Year of Deduction	Five (5) Year Percentage	Ten (10) Year Percentage
1st	100%	100%
2nd	95%	95%
3rd	80%	90%
4th	65%	85%
5th	50%	80%
6th		70%
7th		55%
8th		40%
9th		30%
10th		25%

REDEVELOPMENT OR REHABILITATION OF REAL PROPERTY IMPROVEMENT			
For Deductions Allowed Over A Period Of:			
Year of Deduction	Three (3) Year Deduction	Six (6) Year Deduction	Ten (10) Year Deduction
1st	100%	100%	100%
2nd	66%	85%	95%
3rd	33%	66%	80%
4th		50%	65%
5th		34%	50%
6th		17%	40%
7th			30%
8th			20%
9th			10%
10th			5%

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PASSED this 3rd day of May, 2001.

WARRICK COUNTY COUNCIL

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Tim Mosbey
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ATTEST:

Richard J. Kixmiller
Richard Kixmiller
Warrick County Auditor

PO Box 875
Newburgh, IN 47629-0875
Phone (812) 858-3555
Fax (812) 858-3558

**Warrick County
Economic
Development**

Fax

To: Chris	From: Linda
Fax: 897-6401	Pages: 1
Phone:	Date: 04/23/01
Re: County Council Agenda Item	CC:

Chris:

Please put Pyrotek on the May agenda for the County Council meeting. Brian Hasler, Marketing Director for Warrick Co. Economic Dev. will present an application for tax abatement on their behalf.

I know that Linda will need copies of this application for the packets that are mailed to council members. If you can let me know when she will be mailing the packets I will make sure that I have this information to her beforehand.

Thanks.

Linda

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PASSED this _____ day of _____, 2001.

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ATTEST:

Richard Kixmiller
Warrick County Auditor